REMARKS

This Amendment responds to the Office Action dated April 17, 2009, in which the Examiner rejected claims 21 and 29 under 35 U.S.C. § 102(b), and rejected claims 1-16, 18-20, 22, 28, 30 and 32-37 under 35 U.S.C. § 103.

As indicated above, claims 1, 10, 18-22, 28-30 and 36-37 have been amended in order to make explicit what is implicit in the claims. The amendment is unrelated to a statutory requirement for patentability.

Claims 21 and 29 were rejected under 35 U.S.C. § 102(b) as being anticipated by *Hite, et al.* (U.S. Patent No. 5,774,170).

Hite, et al. appears to disclose in a VOD (video on demand) system, consumers request programming which can begin at anytime. The programming comes from massive storage systems called servers. Those servers supply signals to switches which route the requested video to the individual display device. The commercial choice switch to that location is based on a match of the CID (commercial identifier code) determined for that location and the CID embedded in the commercial. Such matching may occur at the display site or at the head-end (Col. 7, line 54-61).

Thus, *Hite, et al.* merely discloses matching commercials based upon location and commercial identifier (CID) embedded in the commercial. Nothing in *Hite, et al.* shows, teaches or suggests selecting an advertising image based on an advertisement inserting condition set by an image content owner as claimed in claims 21 and 29. Rather, *Hite, et al.* only discloses matching based upon location and a code embedded in the commercial.

Since nothing in *Hite, et al.* shows, teaches or suggests selecting an advertising image based on an advertisement inserting condition set by an image content owner as claimed in

claims 21 and 29, Applicant respectfully requests the Examiner withdraws the rejection to claims 21 and 29 under 35 U.S.C. § 102(b).

Claims 1-16, 18-20, 22, 28, 30 and 32-37 were rejected under 35 U.S.C. § 103 as being unpatentable over *Bar-El* (WO99/26415) in view of *Srinivasan, et al.* (U.S. Publication No. 2001/0023436).

Bar-El appears to disclose in response to a received user profile, object storage unit 22 determines the group profile which most closely matches the user profile and outputs images associated with the matched group profile. Object storage unit 22 can update the user profile to mark which set of images the user has already seen. The video controller 24 selects a video sequence for each user in response to his request. The object storage unit 22 and video controller 24 both divide their output to the personalization module 26 associated with the user (Page 11, line 14 – Page 12, line 9).

Thus, *Bar-El* merely discloses personalizing ads based upon a user profile in an object storage unit 22 and a video sequence selected by the user. Nothing in *Bar-El* shows, teaches or suggests selecting an advertising image based on an advertisement inserting condition set by an image content owner as claimed in claims 1, 10, 18-20, 22, 28, 30 and 36-37. Rather, *Bar-El* only discloses personalizing the output based upon a user profile and a video sequence selected by the user.

Srinivasan, et al. merely discloses when a subscriber orders a video presentation, the ad server notes the client ID, matches the client ID with the user profile, consults a dynamic ad schedule, and determines the ads to be inserted [0204].

Thus, *Srinivasan, et al.* merely discloses matching an ad based upon a client ID and dynamic ad schedule. Nothing in *Srinivasan, et al.* shows, teaches or suggests selecting an

advertisement based on an advertisement inserting condition set by an image content owner as claimed in claims 1, 10, 18-20, 22, 28, 30 and 36-37. Rather, *Srinivasan, et al.* only discloses matching a client ID with a dynamic ad schedule.

A combination of *Bar-El* and *Srinivasan, et al.* would merely suggest to personalize an ad based upon the user profile and video sequence requested by the user as taught by *Bar-El*, and to match the client ID with the dynamic ad schedule as taught by *Srinivasan, et al.* Thus, nothing in the combination of the references shows, teaches or suggests selecting an advertising image based on an advertisement inserting condition set by an image content owner as claimed in claims 1, 10, 18-20, 22, 28, 30 and 36-37. Therefore, Applicant respectfully requests the Examiner withdraws the rejection to claims 1, 10, 18-20, 22, 28, 30 and 36-37 under 35 U.S.C. § 103.

Claims 2-9, 11-16, and 32-35 recite additional features. Applicant respectfully submits that claims 2-9, 11-16, and 32-35 would not have been obvious within the meaning of 35 U.S.C. § 103 over *Bar-El* and *Srinivasan, et al.*, at least for the reasons as set forth above. Therefore, Applicant respectfully requests the Examiner withdraws the rejection to claims 2-9, 11-16, and 32-35 under 35 U.S.C. § 103.

Thus, it now appears that the application is in condition for a reconsideration and allowance. Reconsideration and allowance at an early date are respectfully requested.

CONCLUSION

If for any reason the Examiner feels that the application is not now in condition for allowance, the Examiner is requested to contact, by telephone, the Applicant's undersigned attorney at the indicated telephone number to arrange for an interview to expedite the disposition of this case.

In the event that this paper is not timely filed within the currently set shortened statutory period, Applicant respectfully petitions for an appropriate extension of time. The fees for such extension of time may be charged to Deposit Account No. 50-0320.

In the event that any additional fees are due with this paper, please charge our Deposit Account No. 50-0320.

Respectfully submitted,

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